

**West Monroe - West Ouachita
Chamber of Commerce, Inc.**

**Financial Statements
As of and For the Years Ended
December 31, 2012 and 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 16 2013

West Monroe - West Ouachita Chamber of Commerce, Inc.

**As of and For the Years Ended
December 31, 2012 and 2011**

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LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

Board of Directors

West Monroe – West Ouachita Chamber of Commerce, Inc.

We have audited the accompanying financial statements of the **West Monroe – West Ouachita Chamber of Commerce, Inc.** (a nonprofit organization, the Chamber), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Board of Directors

West Monroe – West Ouachita Chamber of Commerce, Inc.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Chamber as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2013, on our consideration of the Chamber's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Chamber's internal control over financial reporting and compliance.



(A Professional Accounting Corporation)

July 26, 2013

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2012	2011
ASSETS		
Current Assets		
Cash	\$ 10,634	\$ 27,789
Accounts receivable	950	1,020
Other current assets	1,193	1,547
Total current assets	<u>12,777</u>	<u>30,356</u>
Property, Plant, and Equipment		
Land	42,982	42,982
Building	170,968	170,968
Equipment	35,765	34,976
Furniture and fixtures	31,749	31,538
Improvements	81,683	81,683
Total property, plant, and equipment	<u>363,147</u>	<u>362,147</u>
Less. accumulated depreciation	<u>(242,569)</u>	<u>(227,860)</u>
Net property, plant and equipment	<u>120,578</u>	<u>134,287</u>
TOTAL ASSETS	<u>\$ 133,355</u>	<u>\$ 164,643</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 7,217	\$ 3,891
Accrued payroll taxes and retirement payables	4,311	3,051
Deferred revenue -		
Membership dues	10,133	56,454
Short-term debt	18,000	-
Total current liabilities	<u>39,661</u>	<u>63,396</u>
Total Liabilities	<u>39,661</u>	<u>63,396</u>
Net Assets		
Unrestricted	93,694	101,247
Total net assets	<u>93,694</u>	<u>101,247</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 133,355</u>	<u>\$ 164,643</u>

The accompanying notes are an integral part of these statements

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED

	December 31,	
	2012	2011
Revenues, Gains, and Support		
Contributions	\$ 9,329	\$ 10,611
Special events:		
Golf tournament	10,309	8,070
Less cost of direct benefits to donors	(4,134)	(3,650)
Net revenue from special event	6,175	4,420
Contributions and net revenue from special events	15,504	15,031
Membership dues	123,074	131,923
Gain on sale of assets	500	-
Other income	4,757	425
Economic development	7,000	16,497
Education	7,660	18,280
Governmental affairs	-	725
Member services	4,704	11,787
Membership development	25,998	4,435
Total support and revenue	189,197	199,103
Expenses		
Program services:		
Economic development	11,842	17,231
Education	9,626	17,895
Governmental affairs	2,450	3,517
Member services	10,684	14,698
Supporting services:		
Management and general	96,799	114,710
Membership development	60,867	42,094
Fund raising	4,482	6,071
Total expenses	196,750	216,216
Decrease in net assets	(7,553)	(17,113)
Net assets at beginning of year	101,247	118,360
Net assets at end of year	\$ 93,694	\$ 101,247

The accompanying notes are an integral part of these statements.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>
Cash flow from Operating Activities:		
Decrease in net assets	\$ (7,553)	\$ (17,113)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	15,209	16,497
Gain on sale of assets	(500)	-
Changes in current assets and liabilities:		
Accounts receivable	70	30
Other current assets	354	(156)
Accounts payable	3,326	(9,539)
Accrued payroll taxes and retirement payable	1,260	(441)
Deferred revenue	(46,321)	(9,662)
Total Adjustments	<u>(26,602)</u>	<u>(3,271)</u>
Net cash used by operating activities	<u>(34,155)</u>	<u>(20,384)</u>
Cash flow from Investing Activities:		
Purchase of property, plant, & equipment	(1,500)	(1,475)
Proceeds from the sale of assets	<u>500</u>	<u>-</u>
Net cash used by investing activities	<u>(1,000)</u>	<u>(1,475)</u>
Cash flow from Financing Activities:		
Proceeds from the issuance of short-term debt	20,000	-
Payments on short-term debt	<u>(2,000)</u>	<u>(7,234)</u>
Net cash provided (used) by financing activities	<u>18,000</u>	<u>(7,234)</u>
Net decrease in cash and cash equivalents	(17,155)	(29,093)
Cash - beginning of year	<u>27,789</u>	<u>56,882</u>
Cash - end of year	<u>\$ 10,634</u>	<u>\$ 27,789</u>

(Continued)

The accompanying notes are an integral part of these statements.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
STATEMENTS OF CASH FLOWS (CONCLUDED)
FOR THE YEARS ENDED

	December 31,	
	2012	2011
Supplemental disclosures		
Noncash operating activities:		
Support and revenue:		
Contribution of accounting services	\$ 7,379	\$ 9,436
Total noncash support and revenue	<u>7,379</u>	<u>9,436</u>
Expenses:		
Contributed accounting services	<u>7,379</u>	<u>9,436</u>
Total noncash expenses	<u>7,379</u>	<u>9,436</u>
Cash paid during the year for interest	<u>\$ 171</u>	<u>\$ 279</u>

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 1 - Summary of Significant Accounting Policies

A. Organization

The West Monroe Chamber of Commerce, Inc. was incorporated under the laws of the State of Louisiana in March, 1956 for the purpose of providing opportunities conducive to stable economic growth to enhance the quality of life for the citizens of the area. Due to the tremendous population growth throughout western Ouachita Parish, in 1986 the Board of Directors deemed it feasible to change the name to the West Monroe – West Ouachita Chamber of Commerce, Inc. (the Chamber). The Chamber receives dues for membership principally from businesses and individuals located in the City of West Monroe, Louisiana, and western Ouachita Parish.

B. Basis of Presentation and Accounting

The financial statements have been prepared on the accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*

The financial statements of the Chamber are presented as recommended by the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958-205. Under FASB ASC 958-205, the Chamber is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2012 and 2011, there were no temporarily or permanently restricted net assets.

C Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Chamber considers time deposits and certificates of deposits with an original maturity of three months or less to be cash equivalents.

D Contributions

The Chamber has adopted FASB ASC 958-205, "Not For Profit Entities-Revenue Recognition." In accordance with FASB ASC 958-205, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

E. Property, Plant, and Equipment

The Chamber capitalizes all expenditures for property, plant, and equipment in excess

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

of \$300. Purchased property and equipment are carried at cost. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. Estimated useful lives are generally as follows: Buildings, 20 years; Furniture & Fixtures, 7 years; Equipment, 5-7 years; and Building Improvements, 7-10 years. Depreciation expense in 2012 and 2011 was \$15,209 and \$16,497, respectively.

F. Deferred Revenues

The Chamber recognizes amounts, both monetary and nonmonetary, received as payment for subsequent years' memberships as deferred revenue.

G Tax Status

The Chamber has qualified as an organization exempt from federal income taxes pursuant to Section 501(c)(6) of the Internal Revenue Code; therefore, there is no provision for income taxes in the accompanying financial statements.

H Net Assets

Net assets are reported as either temporarily or permanently restricted when there are limitations imposed on their use by donors. The Chamber had no restricted net assets for the years ended December 31, 2012 and 2011.

I Functional Allocation of Expenses

Program service expenses are those directly related to the purposes for which the Chamber exists. Supporting services expenses reflect other expenses incurred in operating the programs, fund raising and membership development. Various operating expenses not directly connected with specific functions or program services are allocated to supporting services. The direct cost of providing the various programs and other activities have been summarized in the statements of activities. Salaries and employee benefits are allocated to program and supporting services based upon management's estimate of time each employee devotes to various activities.

Program services include:

Economic Development – focuses on bringing business to the western Ouachita Parish area.

Education – supports the education of the area through the Adopt-A-School program and the awarding of college scholarships.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Governmental Affairs – focuses on state, local and federal government initiatives.

Member Services – benefits members of the Chamber by providing valuable information through newsletters, magazines, and meetings. The Chamber also provides literature to newcomers to acquaint them with Ouachita Parish. This information is also available on the Chamber's website.

Supporting services include:

Management and General – includes oversight, business management, general record keeping, budgeting and financing of the Chamber

Membership Development – includes soliciting for prospective members and membership dues.

Fund Raising – includes the cost of the golf tournament, gala and other activities held by the Chamber.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the relevant period. Actual results could differ from the estimates. Minor reclassifications have been made to prior year financial statements to make them comparable to the current year presentation.

Note 2 - Accounts Receivable

Accounts receivable consisted of the following:

	December 31,	
	2011	2010
Trade receivables	\$ 950	\$ -
Due from employees	-	1,020
Total	<u>\$ 950</u>	<u>\$ 1,020</u>

All receivables are considered to be collectible within the following fiscal year, therefore, no allowance for doubtful accounts has been established.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 3 - Line of Credit

During 2009, the Chamber opened a line of credit with a financial institution of which one of the Chamber's board members is also an officer. The borrowing limit on the line of credit was \$10,000. It carried an interest rate of 5.75% through October 2011, at which time it was not renewed, but remained available for use at the Chamber's discretion. During 2012, the Chamber opened a \$30,000 line of credit with the same financial institution. The new line of credit carries a variable interest rate based on the Wall Street Journal Prime Rate plus 2.5% through August 2013. The lines of credit were both collateralized by the Chamber's assets. At December 31, 2012 and 2011, the outstanding balances on the respective lines of credit were \$18,000 and \$0, respectively. Interest expense on the respective lines of credit was \$171 for 2012 and \$279 for 2011.

Note 4 - Related Party Transactions

During 2012 and 2011, the Chamber maintained funds in and engaged in short-term borrowing from a financial institution, of which a member of the Chamber's Board of Directors is also an officer. As of December 31, 2012 and 2011, the Chamber had cash balances of \$10,489 and \$27,644, respectively, and short-term debt of \$18,000 and \$0, respectively, with this institution.

Note 5 - Employee Benefit Plan

During 2006, the Chamber established a Savings Incentive Match Plan for Employees (SIMPLE) IRA. All employees expected to make at least \$5,000 during the year are eligible. Employees may contribute to the plan, at their discretion, up to the amount of their total earnings for the year. The Chamber contributes 2% of each eligible employee's compensation to the plan. The Chamber's contributions for 2012 and 2011 were \$1,104 and \$2,074, respectively.

Note 6 - In-Kind Services and Materials

Contribution of services, which are recognized when they are received if the services (a) enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During 2012 and 2011, the value of contributed accounting services recognized as revenue and Management and General expenses in the accompanying Statement of Activities was \$7,379 and \$9,436, respectively.

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Note 7 - Supporting Services

Management and General expenses consisted of the following for 2012 and 2011:

	2012	2011
Salaries and employee benefits	\$ 28,990	\$ 44,990
Advertising	1,175	2,908
Automobile expense	3,382	3,697
Bank charges	274	180
Building expenses	1,762	1,273
Computer software	456	-
Conference fees	-	110
Depreciation	15,209	16,497
Dues and subscriptions	1,305	1,507
Equipment maintenance	-	772
Equipment rental	1,011	1,336
Insurance	5,011	3,795
Interest expense	171	279
Meetings	1,526	124
Office expense	9,178	7,770
Postage	1,036	1,344
Printing and reproduction	718	397
Professional development	1,282	-
Professional fees	13,379	15,936
Telephone	2,640	2,370
Travel and entertainment	1,873	1,880
Utilities	5,827	6,349
Website development	24	1,196
Website hosting	570	-
Total	\$ 96,799	\$ 114,710

WEST MONROE - WEST OUACHITA CHAMBER OF COMMERCE, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

Membership development expenses consisted of the following for 2012 and 2011, respectively:

	2012	2011
Salaries and benefits	\$ 34,670	\$ 37,190
Banquet expenses	19,483	2,579
Contract Labor	4,704	-
Diplomats expenses	1,799	1,144
Other	211	1,181
Total	<u>\$ 60,867</u>	<u>\$ 42,094</u>

Fund raising expenses consisted of salaries and wages of \$4,482 and \$6,071 for 2012 and 2011, respectively.

Note 8 - Operating Leases

The Chamber leases certain equipment under the terms of a sixty-six month agreement. Rental expenses for 2012 and 2011 totaled \$1,011 and \$1,336, respectively.

Note 9 - Subsequent Events

Management has evaluated subsequent events through July 26, 2013 and determined that no significant events have occurred that require disclosure in the financial statements. July 26, 2013 is the date that the financial statements were available to be issued.

LUFFEY, HUFFMAN, RAGSDALE & SOIGNIER

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors

West Monroe – West Ouachita Chamber of Commerce, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the **West Monroe – West Ouachita Chamber of Commerce, Inc.** (a nonprofit organization, the Chamber), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 26, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Chamber's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ABC Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Board of Directors
West Monroe – West Ouachita Chamber of Commerce, Inc.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Chamber's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 12-01.

The Chamber's Response to Findings

The Chamber's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Chamber's response and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management of the West Monroe – West Ouachita Chamber of Commerce, Inc., the Board of Directors, entities granting funds to the Chamber, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

July 26, 2013

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
SCHEDULE OF FINDINGS
DECEMBER 31, 2012

12-01 Financial statements not filed timely

Finding:

Louisiana Revised Statute 24:514 requires all quasi-public agencies that receive any public funds and have an audit engagement approved by the Louisiana Legislative Auditor, to submit audited financial statements to the Legislative Auditor within six months of the agency's fiscal year end. However, due to a miscommunication between audit staff and Chamber personnel concerning the nature and amount of funding from public sources, audited financial statements for the West Monroe – West Ouachita Chamber of Commerce, Inc. for the year ended December 31, 2012 were not submitted by the prescribed deadline.

Recommendation:

We recommend that audited financial statements be submitted to the Louisiana Legislative Auditor by the prescribed deadline for all future periods.

Management's Corrective Action Plan:

We will work closely with the auditors to ensure that the audit is begun in time to be completed and submitted to the Legislative Auditor within six months of the end of the fiscal year.

WEST MONROE – WEST OUACHITA CHAMBER OF COMMERCE, INC.
SUMMARY STATUS OF PRIOR YEAR FINDING
DECEMBER 31, 2012

The following is a summary of the status of the finding included in the audit report issued by Luffey, Huffman, Ragsdale & Soignier, (APAC) dated June 29, 2012.

11-01 Internal Control Deficiencies

Recommendation:

It was recommended that a member of the Board of Directors review credit card transactions on a monthly basis to ensure that all charges are pertinent to Chamber activities and in line with Chamber policies.

Status:

This matter has been resolved.